

377-07/MEU/LJK

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
CENTRAMET TRADING S.A.,

Plaintiff,

07 CIV 6379 (RMB)

-against-

**DECLARATION OF
ENG. KAMAL BESHAY**

EGYPTIAN AMERICAN STEEL ROLLING
COMPANY,

Defendant.
-----X

Eng. Kamal Beshay, pursuant to Section 1746 of Title 28 of the United States Code, hereby declares and says the following under penalty of perjury:

1. I, Eng. Kamal Beshay, am the Chairman of Egyptian American Steel Rolling Company ("EASROC"), the Defendant in this action. I submit this Declaration in support of EASROC's motion to vacate the Rule B Attachment of EASROC's funds or, in the alternative, to reduce the quantum of security permitted to be held by Plaintiff Centramet Trading S.A. ("CENTRAMET").

2. Insofar as the contents of this Declaration are within my own knowledge, they are true. Insofar as the contents of this Declaration are not within my own direct knowledge, they are true to the best of my information and belief.

3. In June, 2006, EASROC entered into a contract to purchase 20,000 metric tons (plus or minus 10% in seller's option) of steel scrap from non-party seller GST Commodities Trading Company ("GST").



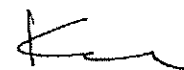
4. There are at least three different versions of the sale and purchase contract between seller GST and buyer EASROC, each unilaterally signed. Copies of the three versions of the contract are annexed hereto as Exhibits 1-3, respectively.

5. Notwithstanding their differences (which involve the arbitration provision which is not relevant to the matter presently before the Court), the contracts each contain provisions regarding the quantity, quality, size, thickness and price for the scrap steel. Each version of the contract also provides for multiple shipments, the date for the first shipment, identifies the originating country of the scrap steel as Russia and destination as Egypt, and provides that payment for the cargo would be made against a Letter of Credit ("L/C"). Likewise, each version of the contract provides for the rate at which the cargo was to be discharged from the ship which would carry it to Egypt.

6. Attached hereto as Exhibit 4 is a copy of the L/C which EASROC opened at Arab African International Bank ("AAIB") in favor of GST. The name Beshay Steel appears on Exhibit 4. Beshay Steel is a trade name by which EASROC sometimes is known as the family which owns EASROC is the Beshay family. Any reference to Beshay Steel is indeed a reference to EASROC.

7. Attached hereto as Exhibits 5-7 are GST's comments in respect of the L/C wording, EASROC's agreement to GST's requested amendments, and AAIB's acknowledgement of those changes, respectively.

8. As the sales contract was under CIF FO terms (cost, insurance and freight, free out), GST was obligated to arrange to transport the scrap steel from Russia to Egypt. GST apparently arranged for a closely related company, CENTRAMET, to transport the



cargo. CENTRAMET, in turn, apparently arranged to voyage charter a vessel to perform the carriage.

9. On July 13, 2006, GST wrote to Alpha Egypt, the agents representing both CENTRAMET and GST in Egypt, to advise that the vessel OCEAN BEAUTY, which had been previously agreed as the vessel to carry the first shipment under the sales contract at a demurrage rate of \$1,500 per day pro rata Fridays, Saturdays and holidays excluded even if used ("FSHEX EIU"), was no longer available. GST offered as an alternative the M/V MERVE A and proposed a discharge rate of 1,000 metric tons per weather working day with a demurrage rate of \$5,000 per day pro rata. EASROC, under the trade name Beshay Steel, responded with a counter-offer of a demurrage rate of \$1,500 per day pro rata FSHEX EIU and a discharge rate of 750 MT per weather working day. (See Exhibit 8). Neither GST nor CENTRAMET communicated further with EASROC on the subject of demurrage or discharge rate thereafter.

10. The scrap steel was subsequently loaded aboard the MERVE A at Novorossisk, Russia and the master of the vessel issued three bills of lading dated July 29, 2006 confirming a total of 9,274 metric tons of scrap cargo had been loaded "clean on board". Copies of the bills of lading are attached hereto as Exhibits 9-11.

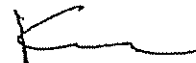
11. The MERVE A arrived at the Port of Alexandria, Egypt on August 7, 2006. Cargo discharge operations commenced at 0430 hours on August 8, 2006 and continued until August 9, 2006 at 1815 hours when the Master ordered discharging stopped allegedly due to the failure of EASROC to present the original bills of lading. (See Statement of Facts prepared by Matina Shipping Agencies, the vessel's agent at Alexandria, Egypt, attached as Exhibit 12.)



12. The Master's refusal to continue discharge was wrongful in that prior to the vessel's arrival at Egypt, GST and EASROC had agreed the cargo could be discharged without presentation of the original bills of lading. Attached as Exhibit 13 is a telefax dated August 2, 2006 in which GST wrote to the agent of the vessel in Istanbul, Active Marine, advising that the cargo could be delivered even in the absence of original bills of lading against a Letter of Guarantee issued by the L/C issuing bank (AAIB) in case of delay of the original documents. Attached as Exhibit 14 is a copy of the AAIB Guarantee which had been provided to GST via the agent of vessel at Alexandria on August 3, 2006.

13. After the initial portion of the cargo was discharged, a survey was conducted and the scrap steel was found to be substantially off-specification in violation of the terms of the sales and purchase agreement. In particular, the cargo was found to contain non-compliant dimensions and to be mixed with substantial quantities of slag and impurities (rocks, concrete, rubber, bales, etc.) among other defects. EASROC wrote to GST on August 8, 2006 (copy attached as Exhibit 15) to complain about the non-compliant nature of the steel scrap and advised that EASROC would not accept any further shipments under the sales contract until the quality problem was resolved. EASROC invited a representative of GST to come to Egypt to inspect the goods and find a solution to the problem.

14. Mr. Peter Terebov, the Director of GST (and also the Director of CENTRAMET) came to Egypt shortly thereafter, and jointly with Mr. Issa of Alpha Egypt, inspected the scrap steel, and agreed it was non-compliant with the sales contract terms.



15. On August 16, 2006, GST wrote to EASROC (Exhibit 16 attached) proposing a substantial discount on the sales price of the scrap steel and to cancel the rest of the contract and L/C as a "final settlement and solution". This settlement included the release of any obligation under the sales contract on the part of EASROC.

16. As requested by GST, EASROC thereafter instructed AAIB to send a message to GST's bank to accept the discrepancies and discount in the sales price. The exchange of documents through the banks was affected and AAIB confirmed on August 30, 2006 that all was in order and payment was to be made to GST's bank.

17. Acknowledging that the delay in discharging the scrap steel stemmed from the non-compliance with the sales contract terms, on August 16, 2006 GST confirmed in writing that GST agreed all time lost due to clarification of the quality claim would be for its account. In response to its agent's request that GST confirm agreement to a further 9 days of free time to discharge the scrap after the documents were provided to the bank, GST again confirmed in an August 22, 2006 return e-mail to Alpha Egypt that all time lost was for GST's account, thereby reconfirming the settlement was full and final, including any claim for demurrage. (See Exhibits 16 and 17 attached.)

18. I understand that GST claims it thereafter assigned its rights to recover demurrage allegedly due under the sales contract to CENTRAMET. I further understand that CENTRAMET has claimed that it is entitled to recover \$276,228.75 for demurrage allegedly due as a result of the delays in discharge at Alexandria.

19. At no time from the completion of discharge on September 30, 2006 until today has either GST or CENTRAMET presented a laytime calculation or made a

demand to EASROC to pay demurrage. Certainly if either company had made such a demand, we would have responded thereby avoiding the legal proceedings in New York.

20. As of this date EASROC has not received any demand for arbitration by either GST or Centramet respecting the claim for demurrage.

21. I am aware that Centramet have provided through their lawyers in London and New York certain communications related to this transaction which do not exist in our company files, and we know for a fact to have been forged. These are the e-mail alleged to be dated 12 July 2006 from Mr. Petr Terebov of GST/Centramet to Alpha Egypt, which falsely states that the vessel MERVE A was offered by GST at a demurrage rate of \$7500. (Exhibit 18 hereto.) GST/Centramet also forged the hand written comments in response thereto on the same document, which purports that we counter offered the rate to be \$7000. The e-mail and the hand written comments of our company are both forged and appears to have been copied from another document. Also the forged contract amendment allegedly dated 1 September 2006 (Exhibit 19) carries a stamp and initial of our company copied and pasted from another document. Last but not least is the sales contract which GST falsely allege was contemporaneously signed by both parties, which in fact was never signed by GST at the time of the negotiations but was returned to us in revised terms as per Exhibits 1 -3. The version of the contract attached as Exhibit 3 was also never countersigned from our side.

I declare, under penalty of perjury of the laws of the United States of America, that the foregoing is true and correct.

Dated: 31 August 2007 Egypt
31 August 2007



Eng. Kamal Beshay

EXHIBIT 1

27/7/12
G 12.
14/06/2006
ع/أ

CONTRACT NO : GB001

GST Commodities Trading Co. hereinafter referred to as sellers, agree having sold and EGYPTIAN AMERICAN STEEL ROLLING CO. hereinafter referred to as Buyers, agree having bought material mentioned here below subject to following terms and conditions:

QUANTITY : 20'000 MT +/- 10% in seller's option. Partial shipment by gearless ships allowed.

QUALITY : Steel scrap

SIZE : 1500 mm x 600 mm x 600 mm. Maximum 2% of oversize is allowed. If the quantity of over size is over 2% - this tonnage (over 2% only) to be penalized by \$10 pmt

THICKNESS : Minimum 4 mm. Maximum 5% of thickness less then 4 mm allowed. If this quantity of is over 5% - this tonnage (over 5% only) to be penalized by \$10 pmt

PRICE : US \$ 303,- per mt. CIFR Alexandria/ Egypt

SHIPMENT : Latest by 15th of August 2006

ORIGIN : Russia

DISCHARGE RATE : Discharge rate will be as follows:

~~Up to 3,000 mtons vessels: 1000 mton pwwd fshex euu.~~

~~Between 3,501-5,000 mtons vessels: 1200 mton pwwd fshex euu.~~

~~Over 5,001 mtons vessels: will be negotiated during nomination of the vessel.~~

NOR to be tendered during office hours.

Demurrage to be as per Charter Party covering the respective voyage and free dispatch respectively. Demurrage rate to be indicated at time of vessel's nomination.

PAYMENT : 100% of the invoice value for each shipment is payable by irrevocable, sight Letter of Credit issued by first class bank, against the following documents;

- 2 Original plus 2 copies of Commercial Invoice
- 3/3 Original bill of lading issued to the order of issuing bank
- Draft survey report issued in loading port by Inspectorate.

All claims, if any, to be solved outside of LC.

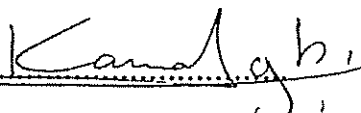
FINAL WEIGHT : Final weight is to be considered as average between draft survey in loading port and draft survey in discharging port issued by Inspectorate.

FINAL QUALITY : As per load port quality certificate issued by Inspectorate.

Egyptian American
Steel Rolling Co.

ARBITRATION : All disputes arising in connection with the present contract shall be finally settled under the rules of Conciliation and Arbitration of the International Chamber of Commerce, by one or more, appointed in accordance with said rules. The adjustment of the arbitration court shall be final with no possibility of appeal.
This contract shall be governed by and in accordance with the laws of England. The seat of Arbitration will be London, England.

Buyer



Egyptian American
Steel Rolling Co.

Seller

.....

EXHIBIT 2

14/06/2006

CONTRACT NO : GB001

GST Commodities Trading Co. hereinafter referred to as sellers, agree having sold and EGYPTIAN AMERICAN STEEL ROLLING CO. hereinafter referred to as Buyers, agree having bought material mentioned here below subject to following terms and conditions:

QUANTITY : 20'000 MT +/- 10% in seller's option. Partial shipment by gearless ships allowed.

QUALITY : Steel scrap

SIZE : 1500 mm x 600 mm x 600 mm. Maximum 2% of oversize is allowed. If the quantity of over size is over 2% - this tonnage (over 2% only) to be penalized by \$10 pmt

THICKNESS : Minimum 4 mm. Maximum 5% of thickness less then 4 mm allowed. If this quantity of is over 5% - this tonnage (over 5% only) to be penalized by \$10 pmt

PRICE : US \$ 303,- per mt. CIFR Alexandria/ Egypt

SHIPMENT : Latest by 15th of August 2006

ORIGIN : Russia

DISCHARGE RATE : Discharge rate will be as follows:
1000 mton pwwd fshex eiu.
NOR to be tendered during office hours.
Demurrage to be as per Charter Party covering the respective voyage and free dispatch respectively. Demurrage rate to be indicated at time of vessel's nomination.

PAYMENT : 100% of the invoice value for each shipment is payable by irrevocable, sight Letter of Credit issued by first class bank, against the following documents;
- 2 Original plus 2 copies of Commercial Invoice
- 3/3 Original bill of lading issued to the order of issuing bank
- Draft survey report issued in loading port by Inspectorate.
All claims, if any, to be solved outside of LC.

FINAL WEIGHT : Final weight is to be considered as average between draft survey in loading port and draft survey in discharging port issued by Inspectorate.

FINAL QUALITY : As per load port quality certificate issued by Inspectorate.

ARBITRATION : All disputes arising in connection with the present contract shall be finally settled under the rules of Conciliation and Arbitration of the ~~International~~

Chamber of Commerce, by one or more arbiter, appointed in accordance with said rules. The judgment of the arbitration court shall be final.

This contract shall be governed by and in accordance with the laws of United Kingdom.

BUYER

SELLER

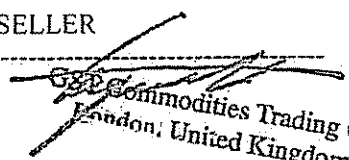

GGP Commodities Trading Co.
London, United Kingdom

EXHIBIT 3

3

14/06/2003 507

**Egyptian American
Steel Rolling Co.**

TEL: 1-800-531-1000

27-07-2007 20:10 FROM-PENLAW

+33 1 44 51 59 71

T-189 P.007/011 F-137

15 06 06 19:55

CTP.2

ARBITRATION

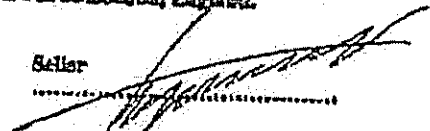
: All disputes arising in connection with the present contract shall be finally settled under the rules of Conciliation and Arbitration of the International Chamber of Commerce, by one or more, appointed in accordance with said rules. The judgement of the arbitration court shall be final with no possibility of appeal.
This contract shall be governed by and in accordance with the laws of England. The seat of Arbitration will be London, England.

Buyer



Egyptian American
Steel Rolling Co.

Seller


OST Commodities Trading Co
London, United Kingdom

JUN 15 2006 04:43PM P22

FAX NO. : +20 2 6201593

FROM : ISSUES STEEL

EXHIBIT 4

NETWORK ACKNOWLEDGMENT 2006-06-25 18:12 page no : 182
Status : MESSAGE DELIVERED
Station : 1 BEGINNING OF MESSAGE

ACK FIN/Session/ISN :F01 0282 365328
ACK Own Address :ARAIEGCKXADOC ARAB AFRICAN INTERNATIONAL BANK
ACK CAIRO
ACK Input Message Type :700 ISSUE OF A DOCUMENTARY CREDIT
ACK Sent to :FBHLNL2AXXX FINANSBANK (HOLLAND) N.V.
ACK AMSTERDAM
ACK Input Time :
ACK MIR :ARAIEGCKXADOC0282365328
ACK Priority :Normal
ACK MUR :TRADE FINANCE SH
ACK {3:{108:TRADE FINANCE SH}}
ACK {4:
ACK :27:1/1
ACK :40A:IRREVOCABLE
ACK :20:LC/HEL 610/06
ACK :31C:060625
ACK :31D:060905 AT YOUR COUNTERS
ACK :50:EGYPTIAN AMERICAN STEEL ROLLING CO.
ACK 6,FARID SEMEIKI STR.,HELIOPOLIS
ACK CAIRO, EGYPT.
ACK :59:/0019019777
ACK GST COMMODITIES TRADING CO.
ACK LAMHAM HOUSE NO.401
ACK 302 REGENT STREET LONDON W1B 3HH
ACK U.K.
ACK :32B:USD6060000,
ACK :39A:05/05
ACK :41A:FBHLNL2AXXX
ACK BY PAYMENT
ACK :43P:ALLOWED
ACK :43T:PROHIBITED
ACK :44A:ANY RUSSIAN SEAPORT
ACK :44B:ALEXANDRIA OR EL DEKHILA SEAPORT - EGYPT
ACK :44C:060815
ACK :45A:QUANTITY:20,000.00 NET METRIC TONS(+5/-5PCT) OF STEEL SCRAP
ACK QUALITY : STEEL SCRAP
ACK SIZE: 1500 MM X 600 MM. MAXIMUM 2PCT. OF OVERSIZE IS ALLOWED
ACK IF THE QUANTITY OVER SIZE IS OVER 2PCT. THIS TONNAGE
ACK (OVER 2PCT. ONLY) TO BE PENALIZED BY USD10.00 PMT.
ACK THICKNESS: MINIMUM 4MM. MAXIMUM 5PCT. OF THICKNESS LESS
ACK THAN 4MM ALLOWED
ACK IF THIS QUANTITY OF IS OVER 5PCT. TONNAGE (OVER 5PCT.
ACK ONLY)TO BE PENALIZED BY USD10 PMT.
ACK UNIT PRICE: USD303.00/MT
ACK CIF FO,ALEXANDRIA OR EL DEKHILA SEAPORT
ACK :46A:1- MANUALLY SIGNED COMMERCIAL INVOICE,IN 3 ORIGINALS + 3 COPIES
ACK SHOWING 100PCT.OF CIF ALEXANDRIA VALUE,SHOWING CONTRACT
ACK NO. DESCRIPTION OF GOODS, UNIT PRICE TOTAL AMOUNT, NET
ACK WEIGHTS OF GOODS SHIPPED.
ACK 2- 3/3 ORIGINALS PLUS 3 N.N COPIES OF CLEAN ON BOARD MARINE BILL
ACK OF LADING ISSUED TO THE ORDER OF ARAB AFRICAN
ACK INTERNATIONAL BANK,MARKED NOTIFY BUYERS AND FREIGHT PAYABLE
ACK AS PER CHARTER PARTY

Basley
steel

(4)

2006-06-25 18:12 page no : 182

Station : 1

CONTINUATION OF MESSAGE

3- CERTIFICATE ISSUED BY FIRST CLASS INSURANCE COMPANY TO THE ORDER OF ARAB AFRICAN INTERNATIONAL BANK, SHOWING CLAIMS PAYABLE IN CAIRO IRRESPECTIVE OF PERCENTAGE FOR THE FULL CIF INVOICE VALUE PLUS 10PCT. COVERING ALL RISKS (A) FROM WAREHOUSE TO APPLICANT'S WAREHOUSE, VALID FOR 60 DAYS AFTER DISCHARGING GOODS AT THE PORT OF DESTINATION AS PER INSTITUTE MARINE CARGO CLAUSES (ALL RISKS) (A) INCLUDING WAR, S.R., C.C RISKS. AND TRANSHIPMENT RISKS IF ANY.

4- CERTIFICATE OF ORIGIN ISSUED BY SELLER AND CERTIFIED BY ANY CHAMBER OF COMMERCE.

5- CERTIFICATE ISSUED BY SHIPPING AGENT STATING THAT THE AGE OF CARRYING VESSEL DOES NOT EXCEED 30 YEARS OLD, OTHERWISE THE OVERAGE PREMIUM WILL BE THE RESPONSIBILITY OF THE BENEFICIARY.

6- COPY OF BENEF. FAX SENT TO THE APPLICANT DIRECTLY STATING FULL DETAILS OF SHIPMENT WITHIN FIVE WORKING DAYS AFTER B/L DATE

7- COPY OF BENEF. FAX SENT TO THE SHIPPING AGENCY TO PERMIT RELEASE OF GOODS AGAINST SHIPPING LETTER OF GUARANTEE ISSUED BY THE ISSUING BANK IN CASE OF DELAY OF THE ORIGINAL DOCUMENTS.

8- BENEF. DECLARATION ACCOMPANIED BY A COURIER RECEIPT COPY EVIDENCING THAT THEY HAVE SENT COPIES OF ALL REQUIRED DOCUMENTS DIRECTLY TO THE APPLICANT WITHIN FIVE WORKING DAYS AFTER B/L DATE.

9- DRAFT SURVEY CERTIFICATE ISSUED BY INSPECTORATE INTERNATIONAL FOR SURVEY PERFORMED AT LOADING PORTS SHOWING ACTUAL WEIGHT OF SHIPMENT

10- QUALITY INSPECTION CERTIFICATE ISSUED BY INSPECTORATE INTERNATIONAL FOR SURVEY PERFORMED AT LOADING PORTS

11- CERTIFICATE OF RADIOACTIVITY ISSUED BY INSPECTORATE INTERNATIONAL, CONFIRMING THAT THE STEEL SCRAP SHIPPED HAS A RADIO ACTIVE LEVEL WITHIN THE PERMISSIBLE ACCEPTABLE INTERNATIONAL LEVELS.

12- CERTIFICATE OF EXPLOSION SAFETY ISSUED BY INSPECTORATE INTERNATIONAL, CONFIRMING THAT THE STEEL SCRAP SHIPPED HAS BEEN SURVEYED AT LOADING PORTS.

13- BENEFICIARY'S UNDERTAKING CONFIRMING THAT THEY WILL SEND COPY OF THE CHARTER PARTY FOR THE CARRYING VESSEL DIRECTLY TO THE APPLICANT WHICH SHOULD CLEARLY INDICATE THE FOLLOWING:-

A- DISCHARGING OPERATIONS ARE TO BE DONE BY APPLICANT EGYPTIAN AMERICAN STEEL ROLLING CO. USING THE CRANES OF THE CARRIER VESSEL UNDER CONDITIONS OF FREE OUT AND IT SHOULD NOT MENTION BY ANY MEANS C.O.P. (CUSTOMS OF PORT).

B- SHIPPING AGENCY IS TO BE ONE OF THE FOLLOWING:-

-MATINA SHIPPING AGENCY -MCBBATY SHIPPING AGENCY.

-NANMAR SHIPPING AGENCY

C- THE DISCHARGING RATE IS 1000MT PER WEATHER WORKING DAY OF 24 CONSECUTIVE HOURS, FRIDAY AND HOLIDAYS EXCLUDED EVEN IF USED, (FSHEXEIU), DEMURRAGES AS PER CHARTER PARTY, DESPATCH HALF DEMURRAGE, AND WILL BE SETTLED DIRECTLY WITH EASRCO, WITHIN FOUR WORKING DAYS FROM THE DAY OF RECEIVING THE WRITTEN FAXED CLAIM OF THE APPLICANT FOR THE DESPATCH IF ANY.

:47A:1- AFTER NEGOTIATION THE DOCUMENTS ARE TO BE FORWARDED DIRECTLY TO US IN TWO SETS BY COURIER SERVICES TO OUR BANK ADDRESS:
44 ABDEL KHALEK SARWAT STR. CAIRO EGYPT, UNDER REFERENCE TO

NETWORK ACKNOWLEDGMENT

2006-06-25 18:12 page no : 183

Status : MESSAGE DELIVERED

Station : 1 CONTINUATION OF MESSAGE

ACK THE NO. OF THIS CREDIT WHICH SHOULD BE QUOTED IN ALL
ACK CORRESPONDENCES AND ON ALL DOCUMENTS.
ACK 2- ONE SET OF PHOTOCOPIES OF ALL RELEVANT DOCUMENTS MUST BE
ACK ATTACHED FOR OUR FILES (FREE OF CHARGE)
ACK 3- PAYMENT UNDER RESERVE OR AGAINST INDEMNITY NOT ACCEPTABLE.
ACK 4- DOCUMENTS DATED PRIOR TO DATE OF ISSUANCE OF L/C NOT
ACK ACCEPTABLE.
ACK 5- CHARTER PARTY B/L ACCEPTABLE.
ACK 6- B/L INDICATING THE FOLLOWING CLAUSES IS ACCEPTABLE :
ACK WET BEFORE SHIPMENT, ATMOSPHERICALLY RUSTY,
ACK 7- ONLY COMMERCIAL INVOICE AND COPY OF BENEF. FAX TO SHOW GOODS
ACK DESCRIPTION, UNIT PRICE, DELIVERY TERM AND VALUE OF GOODS
ACK 8- DIFFERENT TYPING CHARACTER, SPELLING MISTAKES AND TYPING
ACK ERRORS WHICH DO NOT AFFECT THE MEANING ARE ACCEPTABLE.
ACK 9- ALL DOCUMENTS TO BE ISSUED IN ENGLISH LANGUAGE.
ACK 10- DISCRIPANCY FEES FOR USD100.00 WILL BE DEDUCTED FROM PROCEEDS
ACK IN CASE DOCS. ARE PRESENTED WITH DISCRPANCIES OR FOR APPROVAL
ACK BASIS.
ACK 11- ALL DISCREPANT DOCUMENTS PRESENTED UNDER THIS DOCUMENTARY
ACK CREDIT WILL BE REFUSED AND HELD AT THE DISPOSAL OF THE
ACK REMITTING BANK, HOWEVER WE WILL REFER THE DISCREPANCIES TO
ACK THE APPLICANT AND UPON ACCEPTANCE OF SAME WE WILL DELIVER
ACK DOCUMENTS WITHOUT SEEKING FOR YOUR APPROVAL.
ACK 12- THIS L/C IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE
ACK FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL
ACK CHAMBER OF COMMERCE PUBLICATION NO.500.
ACK 13- ARTICLE 18-C OF UCP - ICC PUBLICATION NO.500 IS NOT APPLICABLE
ACK UNDER THIS L/C.
ACK :71B: ALL COMMISSION AND CHARGES OUTSIDE
ACK EGYPT ARE FOR BENEFICIARY A/C
ACK :49: MAY ADD
ACK :78: UPON RECEIPT OF YOUR AUTHENTICATED SWIFT MSG. EVIDENCING THAT
ACK YOU HAVE TAKEN UP AND DESPATCHED TO US CREDIT CONFORM DOCS.
ACK WE HEREBY UNDERTAKE TO REMIT YOU VALUE OF SAME LESS USD100.00
ACK BEING OUR REIMBURSEMENT BANK CHGS. VALUE FIVE BANKING DAYS AFTER
ACK OUR RECEIPT OF YOUR SAID SWIFT MSG.
ACK -}
ACK
ACK MAC: Authentication Code
ACK 79210572
ACK CHK: CheckSum
ACK 4D9B1A28833A
ACK
ACK

EXHIBIT 5

05-JUL-2006 13:19 FROM:ALPHA+EGYPT

202 2575081

101-12026201593

MAYR. Group - RussiaContract for 20,000 mt.

From: Petr Terebov [mailto:terebov@bluewin.ch]

Sent: Tuesday, June 27, 2006 10:05 AM

To: 'Alphaegypt'

Subject: comments for LC

C. 2 / 1 / 5

مكتبة الاستاذ / ج. 2 / 1 / 5

Nader,

HEC 6/10/06 بنقله اعتماد ربح

GST COMMODITIES TRADING CO.

Please find below my comments for LC:

- 44A. please correct 'port' instead of 'seaport'. Most of our small ports are officially river ports. ✓
- ✗ Please make tolerance 10% as it was agreed.
- Insurance certificate. Needless to have cover with clause A for scrap. Our main policy covers clause C which is more ✓
then enough for our kind of cargo.
- Certificate of Origin. Please delete 'certified by any chamber of commerce' ✓
- Document #5. Please delete whole clause.
- Document #7. Please delete whole clause
- Documents #9, 10, 11, 12. Please delete word 'International'.
- Documents #13. Please delete whole clause

Best regards,

Petr Terebov

Director

Jentramet Trading SA

tel +41227917676

fax +41227917672

EXHIBIT 6

Egyptian American Steel Rolling Co.

6, Farid Semeika St.,
Heliopolis, Cairo
EGYPT

Tel. : (202) 6201595

Fax: (202) 6201593/92

TO : Arab African International bank

FAX : 4188056

DATE: Sunday, July 09, 2006

Subject : L/ C # HEL 610/06 amounting \$6,060,000

With reference to the above-mentioned Subject, you are kindly requested to carry the following amendments:

- Under field 44A: please amend the word "seaport" to read "Port".
- Under field 46A:
 - Item no.3: please amend to read " Marine Insurance Policy certificate covering 110% of the invoice value C-Terms."
 - Item no. 4: please amend to read " Certificate of Origin issued by the chamber of commerce "
 - Item no. 5: please delete completely.
 - Under item 9,10,11,12 please delete the word " International"
 - Item 13: please delete completely.

This amendment will not be operative unless the beneficiary will pay all related costs.

Best Regards,

Egyptian American Steel Rolling Co.

ج. ط. ك. ج. ط. ك. ج. ط. ك.

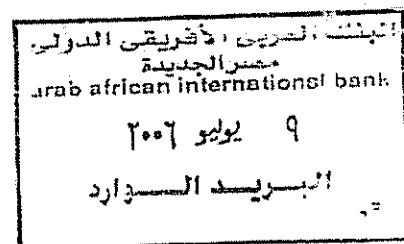


EXHIBIT 7

MESSAGE HARDCOPY

2006-07-10 14:49 page no : 3836

Status : DISPOSED TO THE TBAQ
Station : 1 BEGINNING OF MESSAGE

HCPY FIN/Session/ISN :F01 .SS. .SEQ..
HCPY Own Address :ARAIEGCKXADOC ARAB AFRICAN INTERNATIONAL BANK
HCPY CAIRO
HCPY Input Message Type :707 AMENDMENT TO A DOC CREDIT
HCPY Sent to :FBHINL2AXXXZ FINANSBANK (HOLLAND) N.V.
HCPY AMSTERDAM
HCPY Input Time :
HCPY MIR :
HCPY Priority/Obsol.Period :Normal/100 Minutes
HCPY MUR :TRADE FINANCE SH

*Beshay
steel*

HCPY {3:{108:TRADE FINANCE SH}}

HCPY 20 /SENDER'S REFERENCE
HCPY LC/HEL 610/06

HCPY 21 /RECEIVER'S REFERENCE
HCPY UNKNOWN

HCPY 31C/DATE OF ISSUE
HCPY 060625

HCPY 2006-06-25

HCPY 30 /DATE OF AMENDMENT
HCPY 060709

HCPY 2006-07-09

HCPY 26E/NUMBER OF AMENDMENT
HCPY 01

HCPY 59 /BENEFIC'Y (BEFORE AMNDMT)-NM&ADD
HCPY /0019019777

HCPY GST COMMODITIES TRADING CO.
HCPY U.K.

HCPY 44A/ON BOARD/DISP/TAKING CHARGE AT/F
HCPY ANY RUSSIAN PORT

HCPY 79 /NARRATIVE

HCPY +UNDER FIELD 46A PLS. AMEND THE FOLLOWING:-

HCPY 1-ITEM NO. (3) TO READ 'MARINE INSURANCE
HCPY POLICY / CERTIFICATE COVERING 110 PCT.OF THE
HCPY INVOICE VALUE C-TERM'

HCPY 2-ITEM NO. 4 SHOULD READ 'CERTIFICATE OF ORIGIN
HCPY ISSUED BY CHAMBER OF COMMERCE'

HCPY 3-ITEMS NOS. 09,10,11, AND 12 DELETE THE WORD
HCPY 'INTERNATIONAL'

HCPY 4-DELETE ITEMS NOS. 05 AND 13 COMPLETELY.

HCPY
HCPY OUR COMM. AND CHGS. SUBJECT TO THIS AMENDMENT ARE
HCPY FOR BENEF. A/C ACCORDINGLY IT WILL ONLY BECOME
HCPY OPERATIVE WHEN YOU CREDIT OUR USD A/C HELD WITH
HCPY (IRVTUS3NXXX) FOR USD 65,00 BEING THIS AMENDMENT
HCPY COMM. AND CHGS UNDER ADVICE TO US
HCPY REGARDS.

HCPY
HCPY
HCPY

7

EXHIBIT 8

Subject: Fw: M/v Merve A corrected d. rate
From: "Denis Kitaev" <kitaev@bluewin.ch>
Date: Thu, 13 Jul 2006 14:38:45 +0200
To: <alphaegypt@link.net>

Dear Mr. Nader Issa!

Unfortunately we lost vessel Ocean Beauty. But we have possibility to fix b/m vessel as a sub of Ocean Beauty.
Kindly ask you to confirm this vessel:

M/V MERVE A (EX M/S CORNER BROOK)

TURKISH FLAG, BLT 76. (RBLT 2006).
LOA/LBP/B/D/S.SPD 135,6/127,7/18,5/9,82/15 KNT,
GRT/NRT 7587/2456, DWT 13.500, DWCC 13.200, HO/HA 3/3.
GRAIN FITTED, CO2 FITTED, STEEL FLRD.
GLESS, IMO 7420194, CLASS TURKISH LOYD,
CALI. SING: TCOL9, HATCHOVERS PONTOON TYPE,
GR/BL 19098/ 18086 CBM. UNIT WEIGHT 10 TN

HOLD DIMENSIONS

HOLD: 3 = 32,2 X 10,5 X 17,5/ 7423 CBM
HOLA: 2 = 26,6 X 10,5 X 17,5/ 6313 CBM
HOLD: 1 = 25,2 X 10,5 X 17,5/ 5362 CBM

HATCH: 3 = 27,2 X 13,5 X 3
HATCH: 2 = 25,1 X 13,5 X 3
HATCH: 1 = 20,2 X 13,5 X 3

- LP 1 GSPB NOVOROSIYSK
- DP 1 GSPB ALEXANDRIA OR ISKENDERUN OR MARMARA OR NEMRUT
- LAYCAN 16-20 JULY 2006 (BEST ETA 17.07)
- DISCH RATE 1000 MTS PWWD S
- MIN QTTY - 10000 MTS
- DEM 5000 USD PDPR /FREE DESPATCH

Regards,

Denis Kitaev
Centramet Trading S.A.

tel. +41 22 791 76 78
fax. +41 22 791 76 70
mob. +41 79 830 08 84

Dear Sirs,
We can accept the above VESSEL on the following provisions:

- Discharging rate : 750 MT per wwd FSHEX EU
- Demurrage : \$ 1500
- Agents at disch. port :
Matina Shipping Agency
T. 00203-4839353
F. 00203-4806018
CAPT. SAMIR

Kindly confirm
Best REGARDS / BESHAY STEEL
13.07.06

13/07/2006 03:53

17-JUL-2006 12:26 FROM:ALPHA+EGYPT
Beshay's vessel confirmation

202 2575081

TO: +2026201593

P.001

(2)

Subject: RE: FW: Beshay's vessel confirmation

From: "Petr Terebov" <terebov@bluewin.ch>

Date: Mon, 17 Jul 2006 10:24:17 +0200

To: "alphaegypt" <alphaegypt@link.net>

We are missing confirmation of last ship.

Regards,

Petr

-----Original Message-----

From: alphaegypt [mailto:alphaegypt@link.net]

Sent: Wednesday, July 12, 2006 1:03 PM

To: Petr Terebov; alphaegypt

Subject: Re: FW: Beshay's vessel confirmation

Dear Mr. Petr

After our communication with Beshay he accepted:
- 1000 MT per WWD FSHEX EIU
- Demurrage 1500.00 \$

Please confirm by return

Best regards

Petr Terebov wrote:

We have contractual 1000 mt!!!

We can not agree with 900 mt.

Same is related to demurrage rate!!!!

Regards,

Petr

-----Original Message-----

From: alphaegypt [mailto:alphaegypt@link.net]

Sent: Wednesday, July 12, 2006 12:19 PM

To: Petr Terebov; alphaegypt

Subject: Beshay's vessel confirmation

Dear Petr

Please find attached Beshay's confirmation for M/V Ocean Beauty

عنايه السيد الاستاذ / جميل شاى
V / IV

Dear Sirs,
We confirm the
given conditions
herewith.

17.07.06

BESHAY STEEL

EXHIBIT 9

NAME: "CONGENBILL", EDITION 1994

Page 2

Shipper
 LLC "EXPOMET"
 204 KOMAROVA STR., BATAYSK 346881, RUSSIA
 Contract №756/73317265/15051 dd 04.04.2006r

BILL OF LADING
 TO BE USED WITH CHARTER-PARTIES

B/L No. 1

Reference No.

Consignee
 TO THE ORDER OF ARAB AFRICAN
 INTERNATIONAL BANK

Notify address
 EGYPTIAN AMERICAN STEEL ROLLING CO.
 6. FARID SEMEIKI STR., HELIOPOLIS
 CAIRO, EGYPT

SECOND
 ORIGINAL

10a

Vessel Port of loading

MERVE A

NOVOROSSISK / RUSSIA

Port of discharge

EL DEKHILA SEAPORT - EGYPT

Shipper's description of goods

Gross weight

STEEL SCRAP

IN BULK 318.230 MT

L/C NO. LC/HEL 610/06

(of which on deck at Shipper's risk; the Carrier not
 being responsible for loss or damage howsoever arising)

CLEAN ON BOARD

Freight payable as per CHARTER-PARTY FREIGHT ADVANCE Received on account of freight: Time used for loading days hours.	SHIPPED at the Port of Loading in apparent good order and condition on board the Vessel for carriage to the Port of Discharge or so near thereto as she may safely get the goods specified above. Weight, measure, quality, quantity, condition, contents and value unknown. IN WITNESS where of the Master or Agent of the said Vessel has signed the number of Bills of Lading indicated below all of this tenor and date, any one of which being accomplished the others shall be void. FOR CONDITION OF CARRIAGE SEE OVERLEAF
--	--

FREIGHT PAYABLE AS PER
CHARTER PARTY

Place and date of issue

NOVOROSSISK

29.07.2006

Number of original Bs/L

Signature

3 (THREE)

MASTER OF THE
M/V "MERVE A"

MR. SEMIH UYGUNKAN

البانك المصرية
 فرع مصر
 القاهرة



BILL OF LADING

TO BE USED WITH CHARTER-PARTIES
 CODE NAME: "YONGENBILL"
 EDITION 1994
 ADOPTED BY
 THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)

Conditions of Carriage

(1) All terms and conditions, liberties and exceptions of the Charter Party, dated as overleaf, including the Law and Arbitration Clause, are herewith incorporated.

(2) General Paramount Clause.

(a) The Hague Rules contained in the International Convention for the Unification of certain rules relating to Bills of Lading, dated Brussels the 25th August 1924 as enacted in the country of shipment, shall apply to this Bill of Lading. When no such enactment is in force in the country of shipment, the corresponding legislation of the country of destination shall apply, but in respect of shipments to which no such enactments are compulsorily applicable, the terms of the said Convention shall apply.

(b) *Trades where Hague-Visby Rules apply.*

In trades where the International Brussels Convention 1924 as amended by the Protocol signed at Brussels on February 23rd 1968 - the Hague-Visby Rules - apply compulsorily, the provisions of the respective legislation shall apply to this Bill of Lading.

(c) The Carrier shall in no case be responsible for loss of or damage to the cargo, howsoever arising prior to loading into and after discharge from the Vessel or while the cargo is in the charge of another Carrier, nor in respect of deck cargo or live animals.

(3) General Average.

General Average shall be adjusted, stated and settled according to York-Antwerp Rules 1994, or any subsequent modification thereof, in London unless another place is agreed in the Charter Party.

Cargo's contribution to General Average shall be paid to the Carrier even when such average is the result of a fault, neglect or error of the Master, Pilot or Crew. The Charterers, Shippers and Consignees expressly renounce the Belgian Commercial Code, Part II, Art. 148.

(4) New Jason Clause.

In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which or for the consequence of which, the Carrier is not responsible, by statute, contract or otherwise, the cargo, shippers, consignees or the owners of the cargo shall contribute with the Carrier in General Average to the payment of any sacrifices, losses or expenses of a General Average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo.

If a salving vessel is owned or operated by the Carrier, salvage shall be paid for as fully as if the said salving vessel or vessel belonged to strangers. Such deposit as the Carrier or his agents may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the goods to the Carrier before delivery.

(5) Both-to-Blame Collision Clause.

If the Vessel comes into collision with another vessel as a result of the negligence of the other vessel and any act, neglect or default of the Master, Mariner, Pilot or the servants of the Carrier in the navigation or in the management of the Vessel, the owners of the cargo carried hereunder will indemnify the Carrier against all loss or liability to the other or non-carrying vessel or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said cargo, paid or payable by the other or non-carrying vessel or her owners to the owners of said cargo and set-off, recouped or recovered by the other or non-carrying vessel or her owners as part of their claim against the carrying Vessel or the Carrier. The foregoing provisions shall also apply where the owners, operators or those in charge of any vessel or vessels or objects other than, or in addition to, the colliding vessels or objects are at fault in respect of a collision or contact.

For particulars of cargo, freight,
 destination, etc., see overleaf.

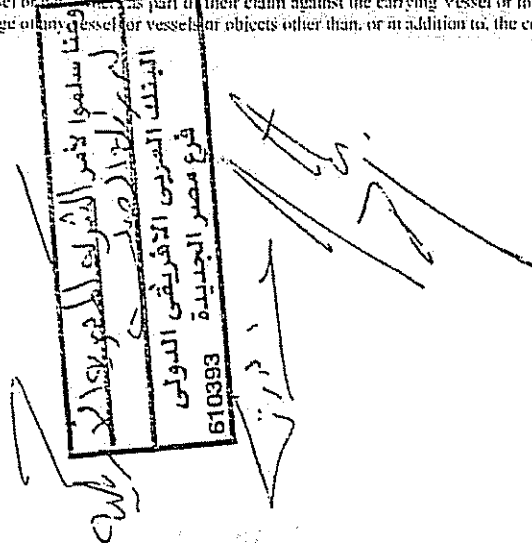


EXHIBIT 10

CODE NAME: "CONGENBILL". EDITION 1994

Shipper

JSC "TK" «MAIRCENTER» ON BEHALF OF
"CENTRAMET TRADING S.A."

Contract № 756/52420817/15013 dd 26.12.2005

Consignee

TO THE ORDER OF ARAB AFRICAN
INTERNATIONAL BANK

Notify address

EGYPTIAN AMERICAN STEEL ROLLING CO.
6, FARID SEMEIKA STR., HELIOPOLIS
CAIRO, EGYPT

Vessel

Port of loading

MERVE A

NOVOROSSISK / RUSSIA

Port of discharge

EL DEKHILA SEAPORT - EGYPT

Shipper's description of goods

Gross weight

STEEL SCRAP

IN BULK 680.520 MT

L/C NO. LC/HEL 610/06

(of which on deck at Shipper's risk; the Carrier not
being responsible for loss or damage howsoever arising)

CLEAN ON BOARD

<p>Freight payable as per CHARTER-PARTY ...</p> <p>FREIGHT ADVANCE Received on account of freight:</p> <p>.....</p> <p>Time used for loading days hours.</p>	<p>SHIPPED at the Port of Loading in apparent good order and condition on board the Vessel for carriage to the Port of Discharge or so near thereto as she may safely get the goods specified above.</p> <p>Weight, measure, quality, quantity, condition, contents and value unknown.</p> <p>IN WITNESS where of the Master or Agent of the said Vessel has signed the number of Bills of Lading indicated below all of this tenor and date, any one of which being accomplished the others shall be void.</p> <p>FOR CONDITION OF CARRIAGE SEE OVERLEAF</p>
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البنك المصري الافريقي للدور
مقره مصر الجديدة

FREIGHT PAYABLE AS PER
CHARTER PARTY

Place and date of issue

NOVOROSSISK 29.07.2006

Number of original Bs/L

Signature

3 (THREE)

MASTER OF THE
M/V " MERVE A "

M/V MERVE A

TO BE USED WITH CHARTER-PARTIES
CODE NAME: "CONGENBILL"
EDITION 1994
ADOPTED BY
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)

(1) All terms and conditions, liberties and exceptions of the Charter Party, dated as aforesaid, including the Law and Arbitration Clause, are herewith incorporated.

(2) **General Paramount Clause.**

(a) The Hague Rules contained in the International Convention for the Unification of certain rules relating to Bills of Lading, dated Brussels the 25th August 1924 as enacted in the country of shipment, shall apply to this Bill of Lading. When no such enactment is in force in the country of shipment, the corresponding legislation of the country of destination shall apply, but in respect of shipments to which no such enactments are compulsorily applicable, the terms of the said Convention shall apply.

(b) Trades where Hague-Visby Rules apply:

In trades where the International Brussels Convention 1924 as amended by the Protocol signed at Brussels on February 23rd 1968 - the Hague-Visby Rules - apply compulsorily, the provisions of the respective legislation shall apply to this Bill of Lading.

(r) The Carrier shall in no case be responsible for loss of or damage to the cargo, howsoever arising prior to loading into and after discharge from the Vessel or while the cargo is in the charge of another Carrier, nor in respect of deck cargo or live animals.

(3) General Average.

General Average shall be adjusted, stated and settled according to York-Antwerp Rules 1994, or any subsequent modification thereof, in London unless another place is agreed in the Charter Party.

Cargo's contribution to General Average shall be paid to the Carrier even when such average is the result of a fault, neglect or error of the Master, Pilot or Crew. The Charterers, Shippers and Consignees expressly renounce the Belgian Commercial Code, Part II, Art. 143.

(4) New Jason Clause.

In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the Carrier is not responsible, by statute, contract or otherwise, the cargo, shippers, consignees or the owners of the cargo shall contribute with the Carrier in General Average to the payment of any sacrifices, losses or expenses of a General Average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo.

If a salving vessel is owned or operated by the Carrier, salvage shall be paid for as fully as if the said salving vessel or vessel belonged to strangers. Such deposit as the Carrier, or his agents, may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the goods to the Carrier before delivery.

(5) Both-to-Blame Collision Clause.

If the Vessel comes into collision with another vessel as a result of the negligence of the other vessel and any act, neglect or default of the Master, Mariner, Pilot or the servants of the Carrier in the navigation or in the management of the Vessel, the owners of the cargo carried hereunder will indemnify the Carrier against all loss or liability to the other or non-carrying vessel or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said cargo, paid or payable by the other or non-carrying vessel or her owners to the owners of said cargo and set-off, recouped or recovered by the other or non-carrying vessel or the owners as part of their claim against the carrying Vessel or the Carrier. The foregoing provisions shall also apply where the owners, operators or those in charge of the vessel or vessels or objects other than, or in addition to, the colliding vessels or objects are at fault in respect of a collision or contact.

For particulars of cargo, freight,
destination, etc., see overleaf.

610393 فرع مصر الجديدة
البنك العربي الأفريقي الدولي
لصرفات الصرافة
لاستأجرنا لأمير الشريعة الإسلامية
المراد

EXHIBIT 11

CODE NAME: "CONGENBILL", EDITION 1994

Shipper

JSC "TK" «MAIRCENTER» ON BEHALF OF
"CENTRAMET TRADING S.A."

Contract № 756/52420817/15012 dd 26.12.2005

Consignee

TO THE ORDER OF ARAB AFRICAN
INTERNATIONAL BANK

Notify address

EGYPTIAN AMERICAN STEEL ROLLING CO.
6, FARID SEMEIKI STR., HELIOPOLIS
CAIRO, EGYPT

Vessel

Port of loading

MERVE A

NOVOROSSISK / RUSSIA

Port of discharge

EL DEKHILA SEAPORT - EGYPT

Shipper's description of goods

Gross weight

STEEL SCRAP

IN BULK 8 276.147 MT

L/C NO. LC/HEL 610/06

(of which on deck at Shipper's risk; the Carrier not
being responsible for loss or damage howsoever arising)

CLEAN ON BOARD

Freight payable as per
CHARTER-PARTY

FREIGHT ADVANCE

Received on account of freight

Time used for loading days hours.

SHIPPED at the Port of Loading in apparent good order and
condition on board the Vessel for carriage to the Port of Discharge or so near thereto
as she may safely get the goods specified above.

Weight, measure, quality, quantity, condition, contents and value unknown.

IN WITNESS where of the Master or Agent of the said Vessel has signed the
number of Bills of Lading indicated below all of this tenor and date, any one of
which being accomplished the others shall be void.

FOR CONDITION OF CARRIAGE SEE OVERLEAF

FREIGHT PAYABLE AS PER
CHARTER PARTY

Place and date of issue

NOVOROSSISK

29.07.2006

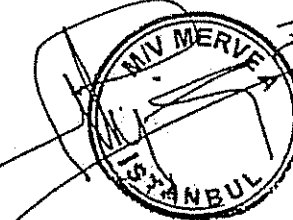
Number of original Bs/L

Signature

MASTER OF THE
M/V "MERVE A"

3 (THREE)

MR. SEMIH UYGUNKAN



البنك المركزي المصري
مصر
مصر
مصر

BILL OF LADING

TO BE USED WITH CHARTER-PARTIES

CODE NAME: "CONGENBILL"

EDITION 1994

ADOPTED BY

THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)

Conditions of Carriage

(1) All terms and conditions, liberties and exceptions of the Charter Party, dated as overleaf, including the Law and Arbitration Clause, are herewith incorporated.

(2) General Paramount Clause.

(a) The Hague Rules contained in the International Convention for the Unification of certain rules relating to Bills of Lading, dated Brussels the 25th August 1924 as enacted in the country of shipment, shall apply to this Bill of Lading. When no such enactment is in force in the country of shipment, the corresponding legislation of the country of destination shall apply, but in respect of shipments to which no such enactments are compulsorily applicable, the terms of the said Convention shall apply.

(b) *Trades where Hague-Visby Rules apply.*

In trades where the International Brussels Convention 1924 as amended by the Protocol signed at Brussels on February 23rd 1968 - the Hague-Visby Rules - apply compulsorily, the provisions of the respective legislation shall apply to this Bill of Lading.

(c) The Carrier shall in no case be responsible for loss of or damage to the cargo, howsoever arising prior to loading into and after discharge from the Vessel or while the cargo is in the charge of another Carrier, nor in respect of deck cargo or live animals.

(3) General Average.

General Average shall be adjusted, stated and settled according to York-Antwerp Rules 1994, or any subsequent modification thereof, in London unless another place is agreed in the Charter Party.

Cargo's contribution to General Average shall be paid to the Carrier even when such average is the result of a fault, neglect or error of the Master, Pilot or Crew. The Charterers, Shippers and Consignees expressly renounce the Belgian Commercial Code, Part II, Art. 148.

(4) New Jason Clause.

In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the Carrier is not responsible, by statute, contract or otherwise, the cargo, shippers, consignees or the owners of the cargo shall contribute with the Carrier in General Average to the payment of any sacrifices, losses or expenses of a General Average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo.

If a salving vessel is owned or operated by the Carrier, salvage shall be paid for as fully as if the said salving vessel or vessel belonged to strangers. Such deposit as the Carrier, or his agents, may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the goods to the Carrier before delivery.

(5) Both-to-Blame Collision Clause.

If the Vessel comes into collision with another vessel as a result of the negligence of the other vessel and any act, neglect or default of the Master, Mariner, Pilot or the servants of the Carrier in the navigation or in the management of the Vessel, the owners of the cargo carried hereunder will indemnify the Carrier against all loss or liability to the other or non-carrying vessel or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said cargo, paid or payable by the other or non-carrying vessel or her owners to the owners of said cargo and set-off, recouped or recovered by the other or non-carrying vessel or her owners as part of their claim against the carrying Vessel or the Carrier. The foregoing provisions shall also apply where the owners, operators or those in charge of any vessel or vessels or objects other than, or in addition to, the colliding vessels or objects are at fault in respect of a collision or contact.

For particulars of cargo, freight, destination, etc., see overleaf.

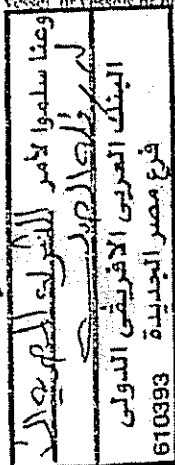


EXHIBIT 12



1. Agents MATINA SHIPPING AGENCIES		STANDARD STATEMENT OF FACTS (SHORT FORM) RECOMMENDED BY THE BALTIC AND INTERNATIONAL MARITIME CONFERENCE (BIMCO) AND THE FEDERATION OF NATIONAL ASSOCIATIONS OF SHIP BROKERS AND AGENTS (FONASBA)	
2. Vessel's name MERVE - A		3. Port ALEXANDRIA - EGYPT	
4. Owners/Disponent Owners KOC FINANSAL KIRALAMA VE ANONIM ACTIVE MARINE		5. Vessel berthed 2006-08-07-2300H ALLFAST	
6. Loading commenced		7. Loading completed	
8. Cargo 9274-897 MT STEEL SCRAP		9. Discharging commenced 2006-08-08-0430H	
10. Discharging completed 2006-09-30-0600H		11. Cargo documents on board	
12. Vessel sailed 2006-		13. Charter Party*	
14. Working hours/meal hours of the port* FROM 0800H. TO 1600H. INCLUDING ONE HOUR FOR MEAL.		15. Bill of Lading weight/quantity	
16. Outturn weight/quantity		17. Vessel arrived on roads 2006-08-06-0345H.	
18. Notice of readiness tendered 2006-08-06-0345H.		19. S.P.O.B. 2006-08-06-1200H.	
20. H.P.O.B. 2006-08-07-2200H.		21. Hours till available N.O.R. ACC. AS PER C/P	
22. H.P.O.B. 2006-8-30-1935 TO RESUME		23. DISCHARGING - MASTER REFUSED DISCHARGING WITHOUT PRESENT	

RECEIVERS PRESENT B/L ON 31-8-2006 AT 2000H. ON 8-9-06 P.O.B. 2140 TO 2250H.
TO RESUME DISCH. - NO TRUCK, NO DELAY ON SHIP'S ACCOUNT
DETAILS OF DAILY WORKING*

Date	Day	Hours worked		Hours stopped		No. of gangs	Quantity load./disch.	Remarks*
		From	to	From	to			
8-8-06	TUES.	0430	0530			1		
9-8-06	WEDNES.	0930	2030			1		
10-8-06	THURS.	1000	1815			1		
11-8-06	FRI.							
31-8-06	THURS.	2130	2400			1		
1-9-06	FRI.	0001	0500			2		
2-9-06	SATUR.	0800	2400			2		
3-9-06	SUN.	0001	0500			2		
4-9-06	MON.	0800	2400			2		
5-9-06	TUES.	0001	0500			2		
9-9-06	SATUR.	0800	1930			2		
10-9-06	SUN	1800	2400			2		
11-9-06	MON.	0001	0500			2		

General remarks* **ALL CARGO DISCHARGE AS PER CARGO MANIFEST AND B/L
HOLDS ARE EMPTY,
FINAL WEIGHT ACC. S. G. S. REPORT. - ON 10/11-8-06 NOW WORKED
FOR BAD STEEL SCRAP**

Place and date	Name and signature (Master)*
Name and signature (Agents)* SAAD	Name and signature (for the Charterers/Shipers/Receivers)* HAJ





1. Agents MATINA SHIPPING AGENCIES		STANDARD STATEMENT OF FACTS (SHORT FORM) RECOMMENDED BY THE BALTIC AND INTERNATIONAL MARITIME CONFERENCE (BIMCO) AND THE FEDERATION OF NATIONAL ASSOCIATIONS OF SHIP BROKERS AND AGENTS (FONASBA)	
2. Vessel's name MERVE - A		3. Port ALEXANDRIA - EGYPT	
4. Owners/Disponent Owners KOC FINANSAL KIRALAMA VE ANONIM ACTIVE MARINE		5. Vessel berthed 2006-08-07-2300 H. ALL FAST	
6. Loading commenced —		7. Loading completed —	
8. Cargo 9274,897 MT STEEL SCRAP		9. Discharging commenced 2006-08-08-0430 H.	
		10. Discharging completed 2006-09-30-0600 H	
11. Cargo documents on board		12. Vessel sailed 2006-	
13. Charter Party*		14. Working hours meal hours of the port* FROM 0800 H. TO 1600 H. INCLUDING ONE HOUR FOR MAIL.	
15. Bill of Lading weight/quantity	16. Outturn weight/quantity	18. S.P.O.B. 2006-08-06-1200 H.	
17. Vessel arrived on roads 2006-08-06-0345 H.		20. H.P.O.B. 2006-08-07-2200 H.	
19. Notice of readiness tendered 2006-08-06-0345 H.		22. H.P.O.B. 2006-8-30-1935 TO RESUME	
21. Next tide available N.D.R. ACC. AS PER CIP			

DISCHARGING - MASTER REFUSED DISCHARGING WITHOUT PRESENT B/L - RECEIVERS.
PRESENT B/L ON 31-8-2006 AT 2000 H. - ON 22-9-06 P.O.B. AT 2320 H. TO 23-9-06 P.O.F. 0635 H.
TO RESUME DISCH. - NO TRUCK.

Date	Day	Hours worked		Hours stopped		No. of gangs	Quantity load/disch.	Remarks*
		From	to	From	to			
11-9-06	MON.	0800	1700					ANCHOR AT 1724/1825
23-9-06	SATUR.	1025	2400			2		
24-9-06	SUN.	0001	0500			2		
25-9-06	MON.	0800	2400			2		
26-9-06	TUES.	0001	0300			2		
27-9-06	WEDNES	0800	2400			2		
28-9-06	THURS	0001	0300			2		
29-9-06	FRI	0800	2400			2		
30-9-06	SATUR.	0001	0600					

General remarks*

SEE TIME SHEET ATTACH. FROM SHIP'S SIDE. 7 PAGES
PLS SEE MASTER GENERAL FACTS - ATTACHED.

Place and date ALEXANDRIA	Name and signature (Master)*
Name and signature (Agents)* SAB	Name and signature (for the Charterers Ship) (for the Charterers)*





MV MERVE A

ALEXANDRIA PORT

MASTER GENERAL STATEMENT OF FACT

DISCHARGING 9274 MT SCRAP

VSL ARVD OUT ROAD 06/08/06 03:45

NOR TENDERD..... 07/08/06 03:45

VSL BRD 07/08/06 23:00

MASTER RCVD OB/L 31/08/06 20:00

(TOTAL 23 DAYS DELAY ' WAITING RECEIVER TO BRING O B/L)

VSL START DISCH 31/08/06 21:00

VSL COMP DISCH 30/09/06 05:00

*(TOTAL 30 DAYS TO DISCHARGE 9274 MT SCRAP DUE TO VERY LOW RATE OF DISCHARGING
CAUSED BY RECEIVERS STIVEDORING CO)*

(SUB TOTAL 53 DAYS VESSEL DELAY IN ALEX PORT)

SO WE DECLARE THIS REMARKS

1-WE KEEP ALL OWNER RIGHTS RESERVED OF DEMORAGE INC., WHEREAS
VSL IS NOT RESPONSIBLE FOR THIS 53 DAYS DELAY .

2-VSL IS NOT RESPONSIBLE FOR EXTRA EXPENSES CAUSED BY THIS DELAY
INCLUDING ALL SHIFTING EXPENSES FROM THE BERTH TO INNER ANCHORAGE
AND FROM INNER ANCHORAGE TO BERTH AGAIN – WHEREAS THIS IS
HAPPEND 3 TIMES BY PORT AUTHORITY INSTRUCTION WHICH IS NOT
ACCEPTED THIS DELAY DUE TO LOW RATE OF DISCHARGE .

3-VSL IS NOT RESPONSIBLE FOR ANY DELAY CAUSED BY RECEIVER
ALL CARGO DISCHARGED AS LOADED – VSL IS NOT RESPONSIBLE FOR THE
CARGO QUALITY IF RECEIVER ACCEPTED OR NOT AND VSL IS NOT INVOLVED
IN THE DEAL IN BETWEEN SHIPPERS AND RECEIVERS FOR THE CARGO .

BEST REGARDS
MASTER



LATI Shipping
[Signature]
30/09/06 - 0330 HRS

M/V MERVE A DISCHARGING OPERATION ALEX PORT

TIME SHEET

<u>DATE</u>	<u>TIME</u>	<u>OPERATION</u>
07.08.06	23:00	BERTHING
07.08.06	23:30	DRAFT SURVEY START
08.08.06	02:30	DRAFT SURVEY FINISH
08.08.06	04:30	NO 2 START DISCHARGING
08.08.06	05:30	NO 2 STOP DISCHARGING(CHANGE TO PORT PERSONS)
08.08.06	09:30	NO 2 START DISCHARGING
08.08.06	11:00	NO 1 START DISCHARGING
08.08.06	14:00	NO 2 STOP DISCHARGING (CHANGE TO SHIP'S HOLD)
08.08.06	14:30	NO 3 START DISCHARGING
08.08.06	20:00	NO 1 STOP DISCHARGING (WAITING LORRY)
08.08.06	20:30	NO 3 STOP DISCHARGING (WAITING LORRY)
08.08.06	24:00	NO 1 AND NO 2 NO DISCHARGING(WAITING LORRY)
09.08.06	10:00	NO 3 START DISCHARGING
09.08.06	10:50	NO 3 STOP DISCHARGING(WAITING LORRY)
09.08.06	11:30	NO 3 START DISCHARGING
09.08.06	18:15	NO 3 STOP DISCHARGING
09.08.06 TO 30.08.06 WAITING ANCHOR		
31.08.06	21:00	NO 1 NO 3 START DISCHARGING
31.08.06	24:00	DISCHARGING
01.09.06	01:00	NO 1 NO 3 DISCHARGING STOP (WAITING LORRY)
01.09.06	01:15	NO 1 NO 3 DISCHARGING START
01.09.06	05:25	NO 3 DISCHARGING STOP(WAITING LORRY)
01.09.06	06:00	NO 1 DISCHARGING STOP (WAITING LORRY)
01.09.06	09:05	NO 1 DISCHARGING START
01.09.06	11:00	NO 1 DISCHARGING STOP(CRANE BREAKDOWN)
01.09.06	12:00	NO 1 DISCHARGING START
01.09.06	12:45	NO 1 DISCHARGING STOP (WAITING LORRY)
01.09.06	14:00	NO 1 NO 3 DISCHARGING START
01.09.06	18:30	NO 1 DISCHARGING STOP(CRANE BREAKDOWN)
01.09.06	18:30	NO 3 DISCHARGING STOP(WAITING LORRY)
01.09.06	1850	NO 3 DISCHARGING START
01.09.06	19:15	NO 1 DISCHARGING START
01.09.06	21:50	NO 3 DISCHARGING STOP(WAITING LORRY)
01.09.06	22:20	NO 1 DISCHARGING STOP(WAITING LORRY)
01.09.06	24:00	NO DISCHARGING WAITING LORRY

02.09.06	08:45	NO 1 NO 3 DISCHARGING START
02.09.06	10:30	NO 3 DISCHARGING STOP(WAITING LORRY)
02.09.06	10:50	NO 1 DISCHARGING STOP(WAITING LORRY)
02.09.06	11:50	NO 3 DISCHARGING START
02.09.06	12:50	NO 3 DISCHARGING STOP (WAITING LORRY)
02.09.06	15:00	NO 3 DISCHARGING START
02.09.06	15:30	NO 1 DISCHARGING START
02.09.06	15:55	NO 3 DISCHARGING STOP(WAITING LORRY)
02.09.06	16:20	NO 1 DISCHARGING STOP(WAITING LORRY)
02.09.06	16:40	NO 3 DISCHARGING START
02.09.06	17:30	NO 1 DISCHARGING START
02.09.06	17:50	NO 3 DISCHARGING STOP(WAITING LORRY)
02.09.06	18:10	NO 1 DISCHARGING STOP(WAITING LORRY)
02.09.06	19:55	NO 1 DISCHARGING START
02.09.06	22:00	NO 1 DISCHARGING STOP(CRANE BREAKDOWN)
02.09.06	22:30	NO 1 DISCHARGING START
02.09.06	23:00	NO 1 DISCHARGING STOP(WAITING LORRY)
02.09.06	24:00	NO DISCHARGING (WAITING LORRY)
03.09.06	00:15	NO 1 DISCHARGING START
03.09.06	00:45	NO 1 DISCHARGING STOP (CRANE BREAKDOWN)
03.09.06	01:00	NO 1 DISCHARGING START
03.09.06	06:00	NO 1 DISCHARGING STOP(CHANGE TO PORT PERSONS)
03.09.06	08:40	NO 1 DISCHARGING START
03.09.06	09:05	NO 3 DISCHARGING START
03.09.06	10:10	NO 1 DISCHARGING STOP (CRANE BREAKDOWN)
03.09.06	10:10	NO 3 DISCHARGING STOP (WAITING LORRY)
03.09.06	10:55	NO 1 NO 3 DISCHARGING START
03.09.06	11:15	NO 3 DISCHARGING STOP(WAITING LORRY)
03.09.06	11:25	NO 3 DISCHARGING START
03.09.06	12:15	NO 1 DISCHARGING STOP(WAITING LORRY)
03.09.06	12:45	NO 1 DISCHARGING START
03.09.06	13:10	NO 1 DISCHARGING STOP(CRANE BREAKDOWN)
03.09.06	13:25	NO 1 DISCHARGING START
03.09.06	13:35	NO 3 DISCHARGING STOP(WAITING LORRY)
03.09.06	13:50	NO 3 DISCHARGING START
03.09.06	14:15	NO 1 DISCHARGING STOP (WAITING LORRY)
03.09.06	14:50	NO 1 DISCHARGING START
03.09.06	15:15	NO 1 DISCHARGING STOP (WAITING LORRY)
03.09.06	15:45	NO 3 DISCHARGING STOP (WAITING LORRY)
03.09.06	16:05	NO 3 DISCHARGING START
03.09.06	16:35	NO 3 DISCHARGING START(WAITING LORRY)
03.09.06	17:50	NO 1 DISCHARGING START
03.09.06	18:10	NO 3 DISCHARGING START
03.09.06	18:55	NO 1 DISCHARGING STOP (WAITING LORRY)
03.09.06	19:00	NO 3 DISCHARGING STOP (WAITING LORRY)
03.09.06	19:45	NO 1 NO 3 DISCHARGING START

03.09.06	20:50	NO 1 NO 3 DISCHARGING STOP (WAITING LORRY)
03.09.06	20:50	NO 1 NO 3 DISCHARGING STOP (WAITING LORRY)
03.09.06	21:25	NO 1 NO 3 DISCHARGING START
03.09.06	23:20	NO 1 DISCHARGING STOP (WAITING LORRY)
03.09.06	23:40	NO 1 DISCHARGING START
04.09.06	01:05	NO 3 DISCHARGING STOP (WAITING LORRY)
04.09.06	03:20	NO 3 DISCHARGING START
04.09.06	03:35	NO 1 NO 3 DISCHARGING STOP (WAITING LORRY)
04.09.06	04:55	NO 1 NO 3 DISCHARGING START
04.09.06	05:20	NO 1 DISCHARGING STOP (WAITING LORRY)
04.09.06	05:30	NO 3 DISCHARGING STOP (WAITING LORRY)
04.09.06	09:00	NO 1 DISCHARGING START
04.09.06	10:20	NO 3 DISCHARGING START
04.09.06	11:15	NO 3 DISCHARGING STOP (WAITING LORRY)
04.09.06	13:05	NO 1 DISCHARGING STOP (WAITING LORRY)
04.09.06	13:20	NO 1 DISCHARGING START
04.09.06	13:35	NO 3 DISCHARGING START
04.09.06	14:05	NO 1 DISCHARGING STOP (WAITING LORRY)
04.09.06	14:30	NO 3 DISCHARGING STOP (WAITING LORRY)
04.09.06	15:35	NO 3 DISCHARGING START
04.09.06	15:45	NO 1 DISCHARGING START
04.09.06	17:25	NO 3 DISCHARGING STOP (WAITING LORRY)
04.09.06	18:00	NO 3 DISCHARGING START
04.09.06	20:50	NO 1 DISCHARGING STOP (CHANGE TO SHIP'S HOLD)
04.09.06	21:10	NO 3 DISCHARGING STOP (WAITING LORRY)
04.09.06	23:00	NO 2 NO 3 DISCHARGING START

05.09.06	02:05	NO 2 DISCHARGING STOP (WAITING LORRY)
05.09.06	02:15	NO 3 DISCHARGING STOP (WAITING LORRY)
05.09.06	03:05	NO 2 DISCHARGING START
05.09.06	03:25	NO 3 DISCHARGING START
05.09.06	04:05	NO 3 DISCHARGING STOP (WAITING LORRY)
05.09.06	04:25	NO 2 DISCHARGING STOP (WAITING LORRY)
05.09.06	08:50	NO 2 DISCHARGING START
05.09.06	09:00	NO 3 DISCHARGING START
05.09.06	13:05	NO 2 DISCHARGING STOP (WAITING LORRY)
05.09.06	13:10	NO 3 DISCHARGING STOP (WAITING LORRY)
05.09.06	15:00	NO 2 DISCHARGING START
05.09.06	15:45	NO 2 DISCHARGING STOP (WAITING TO UNBERTHING)

05.09.06 TO 08.09.06 WAITING ANCHORE

08.09.06	23:00	P.O.F.B
08.09.06	24:00	WAITING FOR DISCHARGING
09.09.06	10:50	NO 2 DISCHARGING START
09.09.06	12:20	NO 2 DISCHARGING START
09.09.06	13:30	NO 2 DISCHARGING STOP (WAITING LORRY)

09.09.06	13:40	SHIFTING START
09.09.06	13:40	SHIFTING START
09.09.06	14:00	SHIFTING STOP
09.09.06	14:20	NO 2 DISCHARGING START
09.09.06	18:30	NO 2 DISCHARGING STOP
09.09.06	19:20	NO 2 DISCHARGING START
09.09.06	20:40	NO 2 DISCHARGING STOP(CRANE BREAKDOWN)
09.09.06	21:55	NO 2 DISCHARGING START
09.09.06	22:50	NO 2 DISCHARGING STOP (WAITING LORRY)
09.09.06	23:15	NO 2 DISCHARGING START
10.09.06	01:00	NO 2 DISCHARGING STOP(WAITING LORRY)
10.09.06	04:15	NO 2 DISCHARGING START
10.09.06	05:15	NO 2 DISCHARGING STOP(WAITING LORRY)
10.09.06	09:30	NO 2 DISCHARGING START
10.09.06	10:20	NO 2 DISCHARGING STOP (WAITING LORRY)
10.09.06	12:45	NO 2 DISCHARGING START
10.09.06	13:40	NO 2 DISCHARGING STOP (WAITING LORRY)
10.09.06	13:55	NO 2 DISCHARGING START
10.09.06	16:50	NO 2 DISCHARGING STOP (CRANE BREAKDOWN)
10.09.06	17:20	NO 2 DISCHARGING START
10.09.06	18:30	NO 2 DISCHARGING STOP (CRANE BREAKDOWN)
10.09.06	19:10	NO 2 NO 3 DISCHARGING START
10.09.06	20:00	NO 2 DISCHARGING STOP (WAITING LORRY)
10.09.06	20:50	NO 3 DISCHARGING STOP (WAITING LORRY)
10.09.06	21:00	NO 2 DISCHARGING START
10.09.06	21:05	NO 3 DISCHARGING START
10.09.06	22:10	NO 2 NO 3 DISCHARGING STOP(WAITING LORRY)
10.09.06	22:50	NO 2 NO 3 DISCHARGING START
11.09.06	02:40	NO 3 DISCHARGING STOP (WAITING LORRY)
11.09.06	03:30	NO 2 DISCHARGING STOP (WAITING LORRY)
11.09.06	09:25	NO 2 DISCHARGING START
11.09.06	11:30	NO 3 DISCHARGING START
11.09.06	15:40	NO 2 NO 3 DISCHARGING STOP.WAITING FOR ANCHORE
11.09.06	16:30	ALL HOLD CLOSE

11.09.06 TO 23.09.06 ANCHORE

23.09.06	00:25	BERTHING NO:65
23.09.06	01:00	ALL HOLD OPEN WAITING FOR DISCHARGING
23.09.06	10:25	NO 1 DISCHARGING START
23.09.06	10:40	NO 3 DISCHARGING START
23.09.06	11:45	NO 1 NO 3 DISCHARGING STOP (WAITING LORRY)
23.09.06	12:00	NO 1 DISCHARGING START
23.09.06	12:20	NO 3 DISCHARGING START
23.09.06	14:30	NO 3 DISCHARGING STOP (WAITING LORRY)

23.09.06	14:50	NO 3 DISCHARGING START
23.09.06	15:40	NO 1 DISCHARGING STOP(CRANE BREAKDOWN)
23.09.06	16:00	NO 1 DISCHARGING START
23.09.06	20:15	NO 3 DISCHARGING STOP
23.09.06	21:00	NO 3 DISCHARGING START
24.09.06	00:30	NO 1 DISCHARGING STOP(WAITING LORRY)
24.09.06	01:00	NO 1 DISCHARGING START
24.09.06	01:50	NO 1 NO 3 DISCHARGING STOP
24.09.06	03:30	NO 1 NO 3 DISCHARGING START
24.09.06	04:20	NO 1 NO 3 DISCHARGING STOP(WAITING LORRY)
24.09.06	08:25	NO 1 NO 3 DISCHARGING START
24.09.06	10:00	NO 3 DISCHARGING STOP(CRANE BREAKDOWN)
24.09.06	10:40	NO 3 DISCHARGING START
24.09.06	11:45	NO 1 DISCHARGING STOP(WAITING LORRY)
24.09.06	11:50	NO 3 DISCHARGING STOP (WAITING LORRY)
24.09.06	12:20	NO 3 DISCHARGING START
24.09.06	12:40	NO 3 DISCHARGING START
24.09.06	13:00	NO 1 DISCHARGING STOP
24.09.06	13:30	NO 1 DISCHARGING START
24.09.06	15:30	NO:1 DISCHARGING STOP(WAITING LORRY)
24.09.06	15:30	NO 3 DISCHARGING STOP (WAITING LORRY)
24.09.06	16:20	NO 1 NO 3 DISCHARGING START
24.09.06	17:40	NO 1 NO 3 DISCHARGING STOP
24.09.06	19:30	NO 1 NO 3 DISCHARGING START
24.09.06	21:10	NO 1 DISCHARGING STOP (WAITING LORRY)
24.09.06	21:40	NO 3 DISCHARGING STOP (WAITING LORRY)
24.09.06	22:05	NO 1 DISCHARGING START
24.09.06	22:10	NO 3 DISCHARGING STARTH
24.09.06	24:00	NO 1 NO 3 DISCHARGING.
25.09.06	00:10	NO 3 DISCHARGING STOP(CRANE BREAK DOWN)
25.09.06	01:00	NO 1 DISCHARGING STOP
25.09.06	02:45	NO 1 DISCHARGING START
25.09.06	04:20	NO 1 DISCHARGING STOP
25.09.06	05:00	NO 1 DISCHARGING START
25.09.06	05:40	NO 1 DISCHARGING STOP(WAITING LORRY)
25.09.06	08:30	NO 1 DISCHARGING START
25.09.06	11:15	NO 1 DISCHARGING STOP(WAITING LORRY)
25.09.06	11:40	NO 1 DISCHARGING START
25.09.06	12:40	NO 1 DISCHARGING STOP
25.09.06	13:20	NO 2 DISCHARGING START
25.09.06	13:45	NO 3 DISCHARGING START
25.09.06	14:15	NO 2 NO 3 DISCHARGING STOP.SHIFTING START
25.09.06	15:00	SHIFTING STOP
25.09.06	15:30	NO 2 NO 3 DISCHARGING START
25.09.06	17:25	NO 2 NO 3 DISCHARGING STOP

25.09.06	19:20	NO 2 DISCHARGING USEING 2 CRANE
25.09.06	19:25	NO 3 DISCHARGING START
25.09.06	23:20	NO 2 DISCHARGING STOP (WAITING LORRY)
26.09.06	00:20	NO 2 DISCHARGING START
26.09.06	02:25	NO 2 NO 3 DISCHARGING STOP
26.09.06	03:15	NO 2 NO 3 DISCHARGING START
26.09.06	04:25	NO 2 NO 3 DISCHARGING STOP
26.09.06	05:00	NO 2 NO 3 DISCHARGING START
26.09.06	05:40	NO 2 NO 3 DISCHARGING STOP
26.09.06	08:25	NO 2 NO 3 DISCHARGING START
26.09.06	12:15	NO 3 DISCHARGING STOP(WAITING LORRY)
26.09.06	12:40	NO 3 DISCHARGING START
26.09.06	16:25	NO 2 DISCHARGING STOP(CRANE BREAKDOWN)
26.09.06	16:45	NO 2 DISCHARGING START
26.09.06	17:10	NO 2 NO 3 DISCHARGING STOP(FOOD TIME)
26.09.06	19:10	NO 3 DISCHARGING START
26.09.06	19:55	NO 2 DISCHARGING START
26.09.06	21:25	NO 2 DISCHARGING STOP(CRANE BREAKDOWN)
26.09.06	22:30	NO 2 DISCHARGING START
27.09.06	01:10	NO 3 DISCHARGING STOP(CRANE BREAKDOWN)
27.09.06	01:40	NO 3 DISCHARGING START
27.09.06	02:30	NO 2 NO 3 DISCHARGING STOP(FOOD TIME)
27.09.06	04:10	NO 2 NO 3 DISCHARGING START
27.09.06	05:20	NO 2 NO 3 DISCHARGING STOP CHANGE PORT PERSONS
27.09.06	08:20	NO 2 NO 3 DISCHARGING START
27.09.06	14:10	NO 2 DISCHARGING STOP(WAITING LORRY)
27.09.06	14:40	NO 2 DISCHARGING START
27.09.06	15:55	NO 2 DISCHARGING STOP (WAITING LORRY)
27.09.06	16:20	NO 3 DISCHARGING STOP(FOOD TIME)
27.09.06	20:20	NO 2 NO 3 DISCHARGING START
28.09.06	00:45	NO 2 DISCHARGING STOP(WAITING LORRY)
28.09.06	01:30	NO 3 DISCHARGING STOP (WAITING LORRY)
28.09.06	03:00	NO 2 NO 3 DISCHARGING START
28.09.06	04:40	NO 2 NO 3 DISCHARGING STOP(FOOD TIME)
28.09.06	05:00	NO 2 NO 3 DISCHARGING STOP
28.09.06	06:00	NO 2 NO 3 DISCHARGING STOP CHANGE PORT PERSON
28.09.06	08:25	NO 2 DISCHARGING START
28.09.06	09:30	NO 3 DISCHARGING START
28.09.06	17:10	NO 2 NO 3 DISCHARGING STOP(FOOD TIME)
28.09.06	19:55	NO 3 DISCHARGIG START
28.09.06	21:30	NO 2 DISCHARGING START
28.09.06	22:35	NO 2 DISCHARGING STOP(WAITING LORRY)
28.09.06	23:50	NO 3 DISCHARGING STOP
28.09.06	24:00	NO 2 DISCHARGING START

29.09.06	02:30	NO 2 DISCHARGING STOP(FOOD TIME)
29.09.06	03:35	NO 2 DISCHARGING START
29.09.06	04:16	NO 2 DISCHARGING STOP
29.09.06	04:50	NO 2 DISCHARGING START
29.09.06	06:15	NO 2 DISCHARGING STOP
29.09.06	08:40	NO 2 DISCHARGING START
29.09.06	11:45	NO 2 DISCHARGING STOP
29.09.06	14:00	NO 2 DISCHARGING START
29.09.06	14:35	NO 1 DISCHARGING START
29.09.06	16:10	NO 1 NO 2 DISCHARGING STOP(FOOD TIME)

30.09.06 24:00 DRAFT SURVEY START

30.09.06 09:15 DRAFT SURVEY FINISH

30.09.06 06:00 DISCHARGE COMPLETE FINISH



P. Z

EXHIBIT 13

GST COMMODITIES TRADING CO.

Langham House, #401, 302 Regent Street, London W1B 3HH, United Kingdom

To: Active Marine
Fax: 00902166589706
Date: 02.08.2006
Re: m/u Merve A

via fax

COPIE

Dear Sirs,

Please be informed that we permit release of goods against shipping letter of guarantee issued by the issuing bank in case of delay of the original documents.

GST Commodities Trading Co.



البنك العربي الافريقي الدولي
فروع مصر الجديدة

EXHIBIT 14

M/V Merve

Subject: M/V Merve

From: alphaegypt <alphaegypt@link.net>

Date: Wed, 09 Aug 2006 15:56:43 +0300

To: Petr Terebov <terebov@bluewin.ch>, 'Denis Kitaev' <kitaev@bluewin.ch>, alphaegypt <alphaegypt@link.net>

Dear All

Attached you will find Beshay's bank guarantee

Best regards

mv merve.pdf **Content-Type:** application/pdf
Content-Encoding: base64

M||N" Merve A"

خالص الدمغة ورسم التمهيد

EXHIBIT 15

EGYPTIAN AMERICAN STEEL ROLLING CO.

6, Farid Semeika St.,
Heliopolis, Cairo
EGYPT

Tel.: (202) 6201595

Fax: (202) 6201592 / 6201593

To : GST Commodities Trading Co.
Fax : 00 41 22 791 76 72
Cc : Alpha Egypt
Fax : 2575081

Date : Tuesday, August 08, 2006

Total number of pages: 1

Attn. : Mr. Peter Terebov

Attn. : Mr. Nader Eissa

Subject:

Non compliance of goods shipped in first shipment under Contract no.
GB001 (20,000MT) on MV MERVE (9,274 MT)
Letter of credit number HEL610/06.

Dear Sir,

With reference to the above mentioned subject, the said goods arrived at Alexandria port on 6 August 2006, and were inspected by SGS (on board) who confirmed that the goods were not compliant as they were found to contain the following:

- Non compliant dimensions of steel scrap
- Slag
- Impurities.
- Compressed bales.
- Rubber

The above stated Contract as well as the letter of credit terms does not allow such deviations. As a result we ask you strongly to immediately come to Egypt in order to inspect the goods, and find a solution.

We hereby inform you that we will not accept any further shipments under this Contract/ letter of credit until the said problem is resolved, and our representatives are permitted to attend loading and draft surveys of the remaining quantity.

We ask you kindly to address this matter with urgency and reply by return confirming your arrival date.

Best Regards

Eng. Kamal Beshay

YOUR LOGO : BESHAYSTEEL
YOUR FAX NO. : +2026201593

TO TURN OFF REPORT, PRESS 'MENU' #04.
THEN SELECT OFF BY USING '+' OR '-'.

HP LaserJet 3100
Printer/Fax/Copier/Scanner

SEND CONFIRMATION REPORT for
BS
2026201592
Aug-8-06 4:17PM

Job	Start Time	Usage	Phone Number or ID	Type	Pages	Mode	Status
861	8/ 8 4:17PM	0'32"	202 2575081	Send.....	1/ 1	144	Completed.....

Total 0'32" Pages Sent: 1 Pages Printed: 0

EGYPTIAN AMERICAN STEEL ROLLING CO.

6, Farafara, 10000
Heliopolis, Cairo
EGYPT Tel: (202) 251592 Fax: (202) 251592

To : GST Commodities Trading Co.
Fax : 00 41 22 791 76 72
Cc : Alpha Egypt
Fax : 2575081

Date : Tuesday, August 08, 2006

Total number of pages: 1

Attn. : Mr. Peter Terehov

Attn. : Mr. Nador Elssa

Subject:
Non compliance of goods shipped in first shipment under Contract no.
GB001 (20,000MT) on MV MERVE (9,274 MT)
Letter of credit number HEL610/06.

Dear Sir,

With reference to the above mentioned subject, the said goods arrived at Alexandria port on 6 August 2006, and were inspected by SGS (on board) who confirmed that the goods were not compliant as they were found to contain the following:

- Non compliant dimensions of steel scrap
- Slag
- Impurities.
- Compressed Bales.
- Rubber

The above stated Contract as well as the letter of credit terms does not allow such deviations. As a result we ask you strongly to immediately come to Egypt in order to inspect the goods, and find a solution.

We hereby inform you that we will not accept any further shipments under this Contract/ letter of credit until the said problem is resolved, and our representatives are permitted to attend loading and draft surveys of the remaining quantity.

We ask you kindly to address this matter with urgency and reply by return confirming your arrival date.

Best Regards

Eng. Kamal Beshay

EXHIBIT 16

GST COMMODITIES TRADING CO.

Langham House, #401, 302 Regent Street, London W1B 3HH, United Kingdom

To: Egyptian American Steel Rolling Co.
Fax: 00202 620 1592
Date: 16.08.2006
Re: m/v Merve A

via fax

Dear Sirs,

With reference to our several discussions related to the quality of steel scrap shipped on the above mentioned vessel, being not conforming to the signed contract and the quality mentioned in the above mentioned L/C. And after checking it in the port of Alexandria, we agree to make a discount of \$ 15/MT on the price of the above mentioned L/C for the total shipped quantity on the board m/v Merve A (Bill of Lading #1,2,3; total quantity 9'274,897 mts) and to cancel the rest of the above L/C and contract as a final settlement and solution.

Please immediately instruct your bank to send the swift/telex message to our bank to accept the discrepancies (some documents show the description of goods) after deducting \$ 15 per ton.

Best regards,
GST Commodities Trading Co.

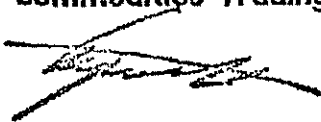


EXHIBIT 17

31-07-2007 17:17 FROM-PENLAW

SENT BY: .;

17 08 06 15:45

+33 1 44 51 59 71

T-208 P.004/008 F-177

001-00-07 3:00PM;

Page 1/3

022 7917672;

17-ALG-06 16:01;

PAGE 1/1

CTP. 1

GST COMMODITIES TRADING CO.

Langham House, #401, 302 Regent Street, London W1B 3BH, United Kingdom

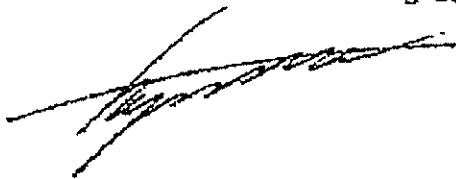
To: Egyptian American Steel Rolling Co.
Fax: 00202 620 1592
Date: 16.08.2006
Re: m/v Merve A

via fax

Dear Sirs,

Hereby we inform you that all time lost due to clarification of quality claim will be on our account.

Best regards,
GST Commodities Trading Co.



Subject:RE: SWIFT

Date:Tue, 22 Aug 2006 10:08:07 +0200

From:Petr Terebov <terebov@bluewin.ch>

To:'Alphaegypt' <alphaegypt@link.net>, 'Denis Kitaev' <kitaev@bluewin.ch>

Nader,

We will try to manage swift as you have mentioned but we I don't understand how owner can send such message to agent.

We are liable in front of ship-owner as charterer and we are the only one who can blame Beshay for demurrage. As you know we have already sent fax to you and Beshay confirming that all time lost will be on our account. What else?

Regards,
Petr

From: Alphaegypt [mailto:alphaegypt@link.net]

Sent: Monday, August 21, 2006 8:56 PM

To: Denis Kitaev; Petr Terebov

Subject: Re: SWIFT

Dear Denis,

Referring to your attached swift received today, please note that this is not like what has been agreed.

The following is required:

- Please instruct your bank to re-write the swift to AAIB saying: "DUE TO NON-CONFORMITY AND HIGH PERCENTAGE OF IMPURITY (SLAG, CONCRETE, DUST) OF THE SHIPPED QUANTITY COMPARED TO THE QUALITY MENTIONED IN THE CONTRACT NO. GB001 AND THIS L/C, BENEFICIARY OFFERS A DISCOUNT OF USD 15,00 P/MT.....CONCIDER REMAINING BALANCE AS NON UTILIZED BY BENEFICIARIES".
- To mention in the same swift that:" BENEFICIARY ACCEPT TO HOLD THE AMOUNT OF USD 100.000,- WHICH WILL BE PAID AGAINST PRESENTATION OF THE FOLLOWING DOCUMENTS:

A) FINAL COMMERCIAL INVOICE FOR BALANCE OF CARGO
VALUE SHOWING THE WEIGHT AS PER THE FINAL DRAFT SURVEY REPORT
CONDUCTED AT DISCHARGING PORT. (DIFFERENCE BETWEEN
B/L WEIGHT AND FINAL DRAFT SURVEY TO BE DEDUCTED FROM THE
HELD AMOUNT OF USD 100.000,-).

B) COPY OF THE DRAFT SURVEY REPORT FOR SURVEY
PERFORMED AT DISCHARGE PORT CONDUCTED AND ISSUED BY INSPECTORATE
INTERNATIONAL.

- After your bank sends this swift, the owner of MV Merve send a message to the maritime agent in alexandria MATINA SHIPPING AGENCY confirming that he gives him 9 days to resume discharging free from any demurrage for all the time lost till the day they resume discharging, starting from the day they re-start discharging.

Please try to arrange that your bank sends this swift tomorrow.

FYG, The coordinates of the Egyptian branch of Inspectorate International (UK) are as follows:

Tel: 00 203 428 13 27

Fax: 00 203 427 14 16

e-mail: operations@inspectorateeg.com

Attention: Mr. Ahmed Bakry

Best Regards - Nader Issa

Denis Kitaev wrote:

Dear Mr Nader!

Pls find attached SWIFT sent to AAIB.

Regards,

Denis Kitaev

Centramet Trading S.A.

tel. +41 22 791 76 78 fax. +41 22 791 76 70

mob. +41 79 830 08 84

EXHIBIT 18

14-08-2007 16:36 FROM-PENLAW

+33 1 44 51 59 71

T-353 P.007/007 F-380

Sent by: 06;

Time: 16:36:16; Date: 14/08/2007

20070814

06:37:00

To: +3365510747

P.007

>>> From: "Parr Terahov" <terahov@bluewin.ch>
 >>> To: "alphaegypti" <alphaegypti@link.net>
 >>> Date: Wed, 12 Jul 2006 15:10:02 +0200
 >>> Subject: FW: MERVE A 16-20 JULY 2006
 >>>
 >>> Dear Nader,
 >>>
 >>> This is first nomination.
 >>>
 >>> Please ask Beshay to confirm
 >>>
 >>> M/V MERVE A (EX M/S CORNER BROOK)
 >>>
 >>> TURKISH FLAG, BLT 76, (ROLT 2006),
 >>> LOA/LBP/B/D/S SPD 135,6/127,7/18,5/9,82/15 KNT,
 >>> GRT/NRT 7587/2456, DWT 13.500, DWCC 13.200, HO/HA 3/3,
 >>> GRAIN FITTED, CO2 FITTED, STEEL PLRD,
 >>> GLESS, IMO 7420194, CLASS TURKISH LOYD,
 >>> CALL SING: TCOL9, HATCHOVERS PONTOON TYPE,
 >>> GR/BL 19098/18086 CBM, UNIT WEIGHT 10 TN
 >>>
 >>> HOLD DIMENSIONS
 >>> -----
 >>> HOLD: 3 = 32,2 X 10,5 X 17,5/ 7423 CBM
 >>> HOLD: 2 = 26,6 X 10,5 X 17,5/ 6313 CBM
 >>> HOLD: 1 = 25,2 X 10,5 X 17,5/ 5362 CBM
 >>> -----
 >>> HATCH: 3 = 27,2 X 13,5 X 3
 >>> HATCH: 2 = 25,1 X 13,5 X 3
 >>> HATCH: 1 = 20,2 X 13,5 X 3
 >>> -----
 >>> - LP I GSPB NOVOROSIYSK
 >>> - DP I GSPB ALEXANDRIA
 >>> - LAYCAN 16-20 JULY 2006 (BEST ETA 16.07)
 >>> - DISCH RATE 1000 MTS F/WWDS
 >>> - MIN QTTY - 10000 MTS
 >>> - DEM 7500 USD PDPR /FREE DESPATCH

Dear Sirs,
 We can accept the above
 vessel on the provision that
 demurrage rate is
 7500 \$.
 Agents at disch. port:
 "Matina Shipping Agency"

Best Regards,
 Besley Staal
 12.07.06

EXHIBIT 19

27-07-2007 20:10 FROM-PENLAW

+33 1 44 51 59 71

T-188 P.008/011 F-137

10/09 00 MON 20:40 FAX

NEVER SEEN BEFORE

RECEIVED VIA
ENGLISH LAWYERS

(21)

Date: 01/09/2006

AMENDMENT

CONTRACT NR : GB001
DATE : 14/06/2006
QUANTITY : 20.000 MTONS (+/- 10% AT SELLER'S OPTION)
UNIT PRICE : USD/MT 303,00 CIF FO Alexandria / Egypt

PLEASE AMEND THE FOLLOWING CLAUSES OF THE A/M CONTRACT AS
FOLLOWS:

CLAUSE 'SHIPMENT'

THE LATEST SHIPMENT IS TO BE 15TH OF OCTOBER 2006

THE REST OF THE CONTRACT WILL REMAIN UNCHANGED. THIS AMENDMENT IS AN
INTEGRAL PART OF THE CONTRACT NR GB001 DTD 14/06/2006.

SELLER

~~2502 GP~~
~~GST COMMODITIES TRADING CO~~
~~London United Kingdom~~

BUYER

EGYPTIAN AMERICAN STEEL
ROLLING CO.

Egyptian American
Steel Rolling Co.
[Signature]

FORGED